RECENT CASES.

ASSIGNMENTS FOR CREDITORS — MARSHALLING ASSETS — NOT PERMISSIBLE TO PREJUDICE SENIOR CREDITOR. — The defendant purchased of the plaintiff's assignor in bankruptcy a stock of merchandise, furniture, and fixtures, both parties acting in good faith. Under a statute the sale of the stock was void against creditors of the vendor. The defendant paid, and secured the assignment of a mortgage on the stock, the furniture, and the fixtures. The plaintiff sought a decree confining the defendant to the furniture and fixtures for satisfaction of the mortgage. *Held*, that the plaintiff is not entitled to such a decree. *Adams* v. *Young*, 86 N. E. 942 (Mass.).

Where a conveyance has been set aside for actual fraud against creditors of the grantor, a grantee has been allowed to hold the property under a mortgage paid by, or assigned to, himself. *King* v. *Wilcox*, 11 Paige (N. Y.) 589. *A fortiori* a grantee merely constructively fraudulent receives like protection. If he pays the claims of secured creditors, he may be subrogated to their rights. *Cole* v. *Malcolm*, 66 N. Y. 363. Or if, as in the principal case, he secures an assignment of a mortgage, this will not merge, but will be upheld against the property. *Fordyce* v. *Hicks*, 76 Ia. 41. As the present defendant has a valid mortgage covering the stock, he should not be prevented from enforcing it. The doctrine of marshalling assets will never be applied when to do so would prejudice the senior creditor. *Detroit Bank* v. *Truesdale*, 38 Mich. 430, 439; *Wolf* v. *Smith*, 36 Ia. 454. Nor is it generally applicable unless both the funds upon which the senior creditor has a lien are in the hands of the common debtor. *Dorr* v. *Shaw*, 4 Johns. Ch. (N. Y.) 17. But *cf. Hodges* v. *Hickey*, 67 Miss. 715, 728. The principal case is therefore unquestionably sound in refusing to compel the creditor to apply his own property to the debt.

BANKRUPTCY — JURISDICTION OF FEDERAL COURTS — EFFECT OF DISSOLUTION OF CORPORATION BY STATE DECREE. — A corporation voluntarily petitioned the state to accept the surrender of its charter. A state court granted this petition. Subsequently creditors of the corporation filed in the federal court a petition of involuntary bankruptcy against the corporation, stating that it was insolvent and had allowed certain preferences within four months. *Held*, that the federal court has jurisdiction. *In re Adams* v. *Hoyt*, 21 Am. B. Rep. 161 (Dist. Ct., N. D. Ga.).

Where an individual commits acts of bankruptcy and dies before a petition of involuntary bankruptcy is filed, the court will refuse jurisdiction, for it is given no jurisdiction over the estate of a deceased person. *Adams* v. *Terell*, 4 Fed. 796. The surrender of its franchise by a corporation is corporate death. 1 BL. COMM. 485. Logically, therefore, dissolution before a petition is filed should defeat the jurisdiction of bankruptcy courts. But where dissolution is merely incident to winding up the affairs of the corporation, its existence is extended for the purpose of satisfying the ends of justice. *Coal Co.* v. *Stauffer*, 148 Fed. 981. The decision considered follows a line of cases allowing a dissolved corporation to be adjudged bankrupt. *In re Munger*, 159 Fed. 901. The effect of corporate death, controlled by the corporation itself, is to deprive it of the power to set aside preferences, and dissolution in such circumstances is an act of bankruptcy. *Scheuer* v. *Book Co.*, 112 Fed. 407. If therefore dissolution were to deprive the bankruptcy court of jurisdiction, we should have a voluntary act of bankruptcy itself avoiding the effect of the bankruptcy act. The result reached here is thus clearly desirable.

BILLS AND NOTES — BANKS AND BANKING — DRAWEE'S LIABILITY TO DEPOSITOR FOR PAYMENT UPON FORGED INDORSEMENT. — The plaintiff drew a check upon Bank X and sent it to an agent with orders to give it to the payee, a creditor of the plaintiff. The agent forged the payee's name and